



January 16, 2013

Ms. Cristina L. Grimm
President
Tint School of Makeup & Cosmetology
10909 Webb Chapel, Suite 129
Dallas, Texas 75229-3734

Certified Mail
Return Receipt Requested

No. 7011 2000 0000 8054 3304

RE: **Final Program Review Determination**
OPE ID: 03035200
PRCN: 201210627740

Dear Ms. Grimm:

The U.S. Department of Education's (Department's) Dallas School Participation Division issued a program review report on February 1, 2012 covering Tint School of Makeup & Cosmetology's (Tint) administration of programs authorized by Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. §§ 1070 et seq. (Title IV, HEA programs), for the 2010-2011 and 2011-2012 award years. Tint's final response was received on June 1, 2012. A copy of the program review report (and related attachments) and Tint's response are attached. Any supporting documentation submitted with the response is being retained by the Department and is available for inspection by Tint upon request. Additionally, this Final Program Review Determination (FPRD), related attachments, and any supporting documentation may be subject to release under the Freedom of Information Act (FOIA) and can be provided to other oversight entities after this FPRD is issued.

Purpose:

Final determinations have been made concerning all of the outstanding findings of the program review report. The purpose of this letter is to: (1) identify liabilities resulting from the findings of this program review report, (2) provide instructions for payment of liabilities to the Department, (3) notify the institution of its right to appeal, and (4) close the review.

The total liabilities due from the institution from this program review are \$11,144.22

This final program review determination contains detailed information about the liability determination for all findings.

Federal Student Aid, Dallas School Participation Division
1999 Bryan Street, Suite 1410, Dallas, TX 75201-6817
www.FederalStudentAid.ed.gov

FEDERAL STUDENT AID  START HERE. GO FURTHER.

Protection of Personally Identifiable Information (PII):

PII is any information about an individual which can be used to distinguish or trace an individual's identity (some examples are name, social security number, date and place of birth). The loss of PII can result in substantial harm, embarrassment, and inconvenience to individuals and may lead to identity theft or other fraudulent use of the information. To protect PII, the findings in the attached report do not contain any student PII. Instead, each finding references students only by a student number created by Federal Student Aid. The student numbers were assigned in Appendix A, Student Sample. In addition, Appendices B and B-1 also contain PII. These appendices were encrypted and sent separately to the institution via e-mail.

Appeal Procedures:

This constitutes the Department's FPRD with respect to the liabilities identified from the February 1, 2012 program review report. If Tint wishes to appeal to the Secretary for a review of monetary liabilities established by the FPRD, the institution must file a written request for an administrative hearing. The Department must receive the request no later than 45 days from the date Tint receives this FPRD. An original and four copies of the information Tint submits must be attached to the request. The request for an appeal must be sent to:

Ms. Mary E. Gust, Director
Administrative Actions and Appeals Service Group
U.S. Department of Education
Federal Student Aid/PC
830 First Street, NE - UCP3, Room 84F2
Washington, DC 20002-8019

Tint's appeal request must:

- (1) indicate the findings, issues and facts being disputed;
- (2) state the institution's position, together with pertinent facts and reasons supporting its position;
- (3) include all documentation it believes the Department should consider in support of the appeal. An institution may provide detailed liability information from a complete file review to appeal a projected liability amount. Any documents relative to the appeal that include PII data must be redacted except the student's name and last four digits of his / her social security number (please see the attached document, "Protection of Personally Identifiable Information," for instructions on how to mail "hard copy" records containing PII); and
- (4) include a copy of the FPRD. The program review control number (PRCN) must also accompany the request for review.

If the appeal request is complete and timely, the Department will schedule an administrative hearing in accordance with § 487(b)(2) of the HEA, 20 U.S.C. § 1094(b)(2). The procedures followed with respect to Tint's appeal will be those provided in 34 C.F.R. Part 668, Subpart H.

Interest on the appealed liabilities shall continue to accrue at the applicable value of funds rate, as established by the United States Department of Treasury, or if the liabilities are for refunds, at the interest rate set forth in the loan promissory note(s).

Record Retention:

Program records relating to the period covered by the program review must be retained until the later of: resolution of the loans, claims or expenditures questioned in the program review; or the end of the retention period otherwise applicable to the record under 34 C.F.R. §§ 668.24(e)(1), (e)(2), and (e)(3).

The Department expresses its appreciation for the courtesy and cooperation extended during the review. If the institution has any questions regarding this letter, please contact Stephanie Akon at 211-661-9508. Questions relating to any appeal of the FPRD should be directed to the address noted in the Appeal Procedures section of this letter.

Sincerely,

(b)(6)

Cynthia Thornton, Director
Dallas School Participation Division

Enclosure:
Protection of Personally Identifiable Information

cc: Elaine Duncan, Financial Aid Administrator
Texas Department of Licensing and Regulation - Cosmetology
National Accrediting Commission of Career Arts and Sciences

PROTECTION OF PERSONALLY IDENTIFIABLE INFORMATION

Personally Identifiable Information (PII) being submitted to the Department must be protected. PII is any information about an individual which can be used to distinguish or trace an individual's identity (some examples are name, social security number, date and place of birth).

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Hard copy files and media containing PII must be:

- sent via a shipping method that can be tracked with signature required upon delivery
- double packaged in packaging that is approved by the shipping agent (FedEx, DHL, UPS, USPS)
- labeled with both the "To" and "From" addresses on both the inner and outer packages
- identified by a manifest included in the inner package that lists the types of files in the shipment (a copy of the manifest must be retained by the sender).

PII data cannot be sent via fax.

Prepared for

**Tint School of Makeup &
Cosmetology**

Federal Student Aid
AN OFFICE of the U.S. DEPARTMENT of EDUCATION

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the AMERICAN MIND™

OPE ID 03035200
PRCN 201210627740

Prepared by
U.S. Department of Education
Federal Student Aid
Dallas School Participation Division

**Final Program Review Determination
January 16, 2013**

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OPE ID 03035200
PRCN 201210627740

Page 2

A. Institutional Information

Tint School of Makeup & Cosmetology
10909 Webb Chapel, Suite 129
Dallas, TX 75229-3734

Type: Proprietary

Highest Level of Offering: Certificate

Accrediting Agency: National Accrediting Commission of Cosmetology Arts and Sciences

Current Student Enrollment: 151 2011-2012

% of Students Receiving Title IV, HEA funds: 87% (2011-2012)

Title IV, HEA Program Participation: G5

2011-2012

Federal Pell Grant Program

\$413,942

William D. Ford Federal Direct Loan Program (Direct Loan)

\$266,617

Default Rate FFEL/DL:	2010	15.6%
	2009	8.9%
	2008	7.2%

B. Scope of Review

The U.S. Department of Education (the Department) conducted a program review at Tint School of Makeup & Cosmetology (Tint) from November 14, 2011 to November 18, 2012. The review was conducted by Mrs. Stephanie Akon and Ms. Sheree Porter.

The focus of the review was to determine Tint's compliance with the statutes and regulations as they pertain to the institution's administration of the Title IV, HEA programs. The review consisted of, but was not limited to, an examination of Tint's policies and procedures regarding institutional and student eligibility, individual student financial aid and academic files, attendance records, student account ledgers, and fiscal records.

A sample of 30 files was identified for review from the 2010-2011 and 2011-2012 (year to date) award years. The files were selected randomly from a statistical sample of the total population receiving Title IV, HEA program funds for each award year. Appendix A lists the names and partial social security numbers of the students whose files were examined during the program review. A program review report was issued on February 1, 2012.

Disclaimer:

Although the review was thorough, it cannot be assumed to be all-inclusive. The absence of statements in the report concerning Tint's specific practices and procedures must not be construed as acceptance, approval, or endorsement of those specific practices and procedures. Furthermore, it does not relieve Tint of its obligation to comply with all of the statutory or regulatory provisions governing the Title IV, HEA programs.

C. Findings and Final Determinations

Resolved Findings

Finding(s) # 2 and 4-14

Tint has taken the corrective actions necessary to resolve findings #2, #4, #5, #6, #7, #8, #9, #10, #11, #12, #13, and #14 of the program review report. Therefore, these findings may be considered closed. Findings requiring further action by Tint are discussed below.

Findings with Final Determinations

The program review report findings requiring further action are summarized below. At the conclusion of each finding is a summary of Tint's response to the finding, and the Department's final determination for that finding. A copy of the program review report issued on February 1, 2012 is attached as Appendix D.

Note: Any additional costs to the Department, including interest, special allowances, cost of funds, unearned administrative cost allowance, etc., are not included in individual findings, but instead are included in the summary of liabilities table in Section <D> of the report.

Finding 1. Verification Violations

Citation: *An institution is responsible for verifying the information used to calculate an applicant's Expected Family Contribution (EFC) as part of the determination of need for student financial assistance. The Student Assistance General Provisions regulations have incorporated a verification process as a part of the Title IV, HEA financial aid program requirements. Verification is required to determine the accuracy of the information submitted by applicants for need-based financial assistance. The regulations also require an institution to verify discrepancies in information received from different sources regarding a student's financial aid application. 34 C.F.R. §§ 668.51 through 668.61*

Non-compliance: *Tint failed to properly document and complete verification of applicant information used to determine the EFC for students #3, #4, #6, and #17 in the program review sample, who were selected for verification by the central processor, for award years 20010-2011 and 2011-2012.*

In addition, Tint did not properly complete reporting the verification status codes to the National Student Loan Data System (NSLDS). Specifically, all of the students in the program review sample who were selected for verification had N/A for the verification flag.

Required Action: *Tint must resolve the verification deficiencies and demonstrate that verification has been properly completed for the students referenced above. If the students' EFC, scheduled award, or expected disbursement changes as a result of verification, Tint is liable for the difference between the correct disbursement and the actual disbursement. If verification cannot be completed, all funds disbursed to that student will become a liability. Tint must submit the verification results of the students in the program review sample with the institutional response to the program review report.*

In addition, Tint must review the file of every student selected for verification during the 2010-11 and the 2011-12 award years to determine if verification was completed properly for each student. For each student that Tint determines that the verification process was not properly completed, it must collect the data to complete the verification process and recalculate the EFC if required in accordance with the verification requirements. For all students for whom verification was not properly completed and for all students for whom Tint cannot complete verification, the following information must be provided:

1. *Student's Name*
2. *Social Security Number (last 4)*
3. *Original EFC*
4. *Recalculated EFC (if applicable)*

5. *Original Amount of Title IV funds disbursed*
6. *Revised Amount of Title IV funds disbursed (if applicable)*
7. *Amount of overpayment/underpayment of funds (if applicable)*

Please provide a separate spreadsheet for each award year.

Tint must also develop a policy and procedure to ensure that all verification status codes are completed and properly reported.

Tint's Response: Tint identified an additional 15 students whose verification process was not completed for award years 2010-2011 and 2011-2012 (Appendix B-1). Tint's response is included as Appendix E.

Student #3 - Tint completed the verification process, for student #3, which changed the original EFC of 3201 to 3829; resulting in an overaward of \$401.00.

Student #4 – Tint recalculated the student's EFC using the correct amount of taxes paid which changed the EFC from 2470 to 2334; resulting in an under award of \$66.00

Student #6 – Tint resolved the household size discrepancy, obtained the required signatures on the parents' 2009 tax return, and verified the reported untaxed income.

Student #17 – Tint completed the verification process for student #17 which changed the original EFC of 0 to 3645; resulting in an overaward of \$1825.00.

Final Determination: Tint completed the verification process for students #3, #4, #6, and #17. However, students #3 and #17's recalculated EFC resulted in Federal Pell Grant overawards in the amount of \$2,226.00. (Appendix B-1)

In addition, the results of Tint's file review identified 15 students whose EFCs were recalculated; resulting in Federal Pell Grant overawards in the amount of \$8,399.00. (Appendix B-2)

Tint is liable for \$10,625.00 in Pell funds improperly disbursed. Repayment instructions are included in Section E of this report.

Finding 3. Pell Overpayment

Citation: *Federal regulations require that an institution follow certain disbursement rules when disbursing Federal Pell Grants.*

If a student transfers from one institution to another institution during the same award year, the current institution must check the National Student Loan Data System (NSLDS) for any Title IV, HEA assistance that may have been disbursed during that academic year at the former institution. NSLDS transfer monitoring allows an institution to determine the student's

remaining Title IV, HEA eligibility for the same award year. The institution may not make a disbursement to that student for seven days following its request, unless it receives the information from NSLDS in response to its request or obtains that information directly by accessing NSLDS, and the information it receives allows it to make that disbursement. 34 C.F.R. § 668.19

For clock hour programs, the amount of Federal Pell Grant funds a student may receive for a payment period is determined by determining the student's Scheduled Federal Pell Grant using the Payment Schedule and multiplying the amount by the lesser of (1) the number of clock hours in the payment period divided by the number of clock hours in the program's academic year or (2) the number of weeks of instructional time in the payment period divided by the number of weeks of instructional time in the program's academic year. 34 C.F. R. § 690.63(e)

Noncompliance: *Tint did not properly calculate the Federal Pell Grant award for a transfer student in the program review sample.*

Student #13 – The student enrolled in Tint as a transfer student from another cosmetology school where she received \$3,152 of the scheduled Federal Pell Grant award for 2009-2010; this represents 58.9% of the scheduled award. When Tint calculated the student's Federal Pell Grant eligibility, it made a 50% disbursement of the annual scheduled award instead of the remaining 41.1% that the student was eligible to receive in the same award year. This created an overaward of \$476 for award year 2009-2010.

Required Action: *Tint must create a policy describing how it will ensure that transfer monitoring will be performed, documented and addressed during packaging. A copy of the policy must be submitted with the institutional response to the program review report.*

Tint's Response: Tint stated that it has contracted with DJA Financial Services, INC. to assist in its transfer monitoring policy. As a part of the new policies and procedures, Tint's Financial Aid Staff will print and review each students Pell Grant and Direct Loan NSLDS printout to determine the student's Title IV eligibility during the current award year.

Final Determination: Tint incorrectly calculated the Federal Pell Grant award for student #13, which resulted in an overaward of \$476.00. (Appendix B -3)

Tint is liable for \$476.00 in Pell funds improperly disbursed. Repayment instructions are included in Section E of this report.

D. Summary of Liabilities

The total amount calculated as liabilities from the findings in the program review determination is as follows:

Established Liabilities – Duplicate Liabilities Removed		
Liabilities	Pell (Closed Award Year)	
Finding 1	\$10,625.00	
Finding 3	\$476.00	
Subtotal	\$11,101.00	
Interest/SA	\$43.22	
Subtotal	\$43.22	
TOTAL	\$11,144.22	
Payable To:		Totals
Department	\$11,144.22	\$11,144.22

E. Payment Instructions

1. Liabilities Owed to the Department

Tint owes to the Department \$11,144.22. Payment must be made by forwarding a check made payable to the “U.S. Department of Education” to the following address within 45 days of the date of this letter:

U.S. Department of Education
P.O. Box 979026
St. Louis, MO 63197-9000

Remit checks only. Do not send correspondence to this address.

Payment must be made via check and sent to the above Post Office Box. Payment and/or adjustments made via G5 will not be accepted as payment of this liability. Instead, the school must first make any required adjustments in COD as required by the applicable finding(s) and Section II – Instructions by Title IV, HEA Program (below), remit payment, and upon receipt of payment the Department will apply the funds to the appropriate G5 award (if necessary).

The following identification data must be provided with the payment:

Amount: \$11,144.22
DUNS: 087485574

TIN: 264399441
Program Review Control Number: 201210627740

Terms of Payment

As a result of this final determination, the Department has created a receivable for this liability and payment must be received by the Department within **45 days of the date of this letter**. If payment is not received within the 45-day period, interest will accrue in monthly increments from the date of this determination, on the amounts owed to the Department, at the current value of funds rate in effect as established by the Treasury Department, until the date of receipt of the payment. Tint is also responsible for repaying any interest that accrues. If you have any questions regarding interest accruals or payment credits, contact the Department's Accounts Receivable Group at (202) 245-8080 and ask to speak to Tint's account representative.

If full payment cannot be made within **45 days** of the date of this letter, contact the Department's Accounts Receivable Group to apply for a payment plan. Interest charges and other conditions apply. Written request may be sent to:

U.S. Department of Education
OCFO Financial Management Operations
Accounts Receivable Group
550 12th Street, S.W., Room 6114
Washington, DC 20202-4461

If within 45 days of the date of this letter, Tint has neither made payment in accordance with these instructions nor entered into an arrangement to repay the liability under terms satisfactory to the Department, the Department intends to collect the amount due and payable by administrative offset against payments due Tint from the Federal Government. **Tint may object to the collection by offset only by challenging the existence or amount of the debt.** To challenge the debt, Tint must **timely appeal** this determination under the procedures described in the "Appeal Procedures" section of the cover letter. The Department will use those procedures to consider any objection to offset. **No separate appeal opportunity will be provided.** If a timely appeal is filed, the Department will defer offset until completion of the appeal, unless the Department determines that offset is necessary as provided at *34 C.F.R. § 30.28*. This debt may also be referred to the Department of the Treasury for further action as authorized by the Debt Collection Improvement Act of 1996.

2. Liabilities Owed to the Department in the case of Title IV Grants

Federal Pell Grant – Closed Award Year
Findings: 1, and 3
Appendix: B (B-1, B-2 and B-3)

Tint must repay:

Closed Award Year			
Amount (Principal)	Amount (Interest)	Title IV Grant	Award Year
\$5,368.00	31.76	Pell	2010-2011
\$5,733.00	11.46	Pell	2011-2012
Total Principal	Total Interest		
\$11,101	43.22		

The disbursement record for each student identified in Appendices B-1, B-2 and B-3 to the applicable findings must be adjusted in the Common Origination and Disbursement (COD) system based on the recalculated amount identified in Appendices B-1, B-2 and B-3.

Adjustments in COD must be completed prior to remitting payment to the Department. Payment cannot be accepted via G5. Once the Department receives payment via check, the Department will apply the principal payment to the applicable G5 award. The interest will be applied to the general program account.

A copy of the adjustment to each student's COD record must be sent to Stephanie Akon **within 45 days of the date of this letter.**

F. Appendices

Appendices A through F are attached to this report.

Appendix A: Student Sample (Program Review)

Award Year 2010-2011

Name

SS# (Last 4 digits)

(b)(6); (b)(7)(C)

Av

Appendix B: Student Rosters With Liabilities

Appendix B-1: Finding #1 Verification Violations Program Review Sample Students

(b)(6); (b)(7)(C)

Appendix C: Cost of Funds

Ineligible Disbursements (Non-Loan) - Cost of Funds and Administrative Cost Allowance

Name of Institution: Tint School of Makeup & Cosmetology

No.	Description/Name	Ineligible Disbursement	Program	Disbursement Date	Return Paid Date	No. of Days	CVFR or Interest	Federal Share	To ED	To Inst Accounts
1	2010-2011	\$2,226.00	Pell Grant	6/30/2011	2/1/2012	216	1.00%	\$ 2,226.00	\$ 13.17	\$ -
1	2011-2012 B1	\$5,257.00	Pell Grant	12/3/2011	2/1/2012	60	1.00%	\$ 5,257.00	\$ 8.64	\$ -
1	2010-2011 B1	\$3,142.00	Pell Grant	6/30/2011	2/1/2012	216	1.00%	\$ 3,142.00	\$ 18.59	\$ -
3	Student #13	\$476.00	Pell Grant	6/30/2011	2/1/2012	216	1.00%	\$ 476.00	\$ 2.82	\$ -

Total Ineligible **\$11,101.00**

Totals
ACA Liability **\$ 43.22 \$ -**

Campus-Based Amounts Spent (from FISAP, Part VI, Section B)

Federal FWS
Federal SEOG
Federal Perkins

Total C-B Spent **\$ -**
ACA Percentage

	Total	Federal Share
Pell	\$ 11,101.00	\$ 11,101.00
ACG	\$ -	\$ -
SMART	\$ -	\$ -
TEACH	\$ -	\$ -

Interest Breakdown

Pell Grants	\$ 43.22	\$ -
ACG	\$ -	\$ -
SMART	\$ -	\$ -
TEACH	\$ -	\$ -
FWS	\$ -	\$ -
FSEOG	\$ -	\$ -
Perkins	\$ -	\$ -
FWS-50% Match	\$ -	\$ -
FWS-No Match	\$ -	\$ -
FSEOG-No Match	\$ -	\$ -
Perkins-No Match	\$ -	\$ -

ACA Breakdown

Appendix D: Copy of the Program Review Report

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February 1, 2012

Ms. Christina L. Grimm
President
Tint School of Makeup & Cosmetology
10909 Webb Chapel, Suite 129
Dallas, Texas 75229-3734

Certified Mail
Return Receipt Requested
7011 2000 0000 8054 4134

RE: Program Review Report
OPE ID: **03035200**
PRCN: **201210627740**

Dear Ms. Grimm:

From November 14, 2011 through November 18, 2011, Mrs. Stephanie Akon and Ms. Shereé Porter conducted a review of Tint School of Makeup & Cosmetology's (Tint) administration of the programs authorized pursuant to Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. §§ 1070 et seq. (Title IV, HEA programs). The findings of that review are presented in the enclosed report.

Findings of noncompliance are referenced to the applicable statutes and regulations and specify the action required to comply with the statute and regulations. Please review the report and respond to each finding, indicating the corrective actions taken by Tint. The response should include a brief, written narrative for each finding that clearly states Tint's position regarding the finding and the corrective action taken to resolve the finding. Separate from the written narrative, Tint must provide supporting documentation as required in each finding.

Please note that pursuant to HEA section 498A(b), the Department is required to:

- (1) provide to the institution an adequate opportunity to review and respond to any preliminary program review report¹ and relevant materials related to the report before any final program review report is issued;
- (2) review and take into consideration an institution's response in any final program review report or audit determination, and include in the report or determination –
 - a. A written statement addressing the institution's response;
 - b. A written statement of the basis for such report or determination; and
 - c. A copy of the institution's response.

¹ A "preliminary" program review report is the program review report. The Department's final program review report is the Final Program Review Determination (FPRD).

The Department considers the institution's response to be the written narrative (to include e-mail communication). Any supporting documentation submitted with the institution's written response will not be attached to the FPRD. However, it will be retained and available for inspection by Tint upon request. Copies of the program review report, the institution's response, and any supporting documentation may be subject to release under the Freedom of Information Act (FOIA) and can be provided to other oversight entities after the FPRD is issued.

The institution's response should be sent directly to Stephanie Akon of this office within 60 calendar days of receipt of this letter.

Protection of Personally Identifiable Information (PII):

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We would like to express our appreciation for the courtesy and cooperation extended during the review. Please refer to the above Program Review Control Number (PRCN) in all correspondence relating to this report. If you have any questions concerning this report, please contact Stephanie Akon at 214-661-9508 or stephanie.akon@ed.gov.

Sincerely,

(b)(6)

Jesus Moya
Team Leader

cc: Ms. Amanda Ortega, Financial Aid Administrator

Enclosure:
Protection of Personally Identifiable Information

PROTECTION OF PERSONALLY IDENTIFIABLE INFORMATION

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Prepared for

**Tint School of Makeup &
Cosmetology**

OPE ID 03035200

PRCN 201210627740



**START HERE
GO FURTHER** 
FEDERAL STUDENT AID

Prepared by

U.S. Department of Education

Federal Student Aid

School Participation Team - Dallas

Program Review Report
February 1, 2012

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A. Institutional Information

Tint School of Makeup & Cosmetology

Type: Proprietary

Highest Level of Offering: Certificate

Accrediting Agency: National Accrediting Commission of Cosmetology Arts and Sciences

Current Student Enrollment: 151

% of Students Receiving Title IV: 87%

Title IV Participation School Funding Report: Source G5

	2010-2011	2011-2012
Federal Pell Grant Program	\$692,852	\$413,942 (YTD)
William D. Ford Federal Direct Loan Program (Direct Loan)	\$474,045	\$266,617 (YTD)
Default Rate FFEL/DL:		
2009	8.9%	
2008	7.2%	
2007	6.5%	

B. Scope of Review

The U.S. Department of Education (the Department) conducted a program review at Tint School of Makeup & Cosmetology (Tint) from November 14, 2011 to November 18, 2011. The review was conducted by Mrs. Stephanie Akon and Ms. Sheree Porter.

The focus of the review was to determine Tint's compliance with the statutes and federal regulations as they pertain to the institution's administration of Title IV programs. The review consisted of, but was not limited to, an examination of Tint's policies and procedures regarding institutional and student eligibility, individual student financial aid and academic files, attendance records, student account ledgers, and fiscal records.

A sample of 30 files was identified for review from the 2010-2011 and 2011-2012 (year to date) award years. The files were selected randomly from a statistical sample of the total population receiving Title IV, HEA program funds for each award year. Appendix A lists the names and partial social security numbers of the students whose files were examined during the program review.

Disclaimer:

Although the review was thorough, it cannot be assumed to be all-inclusive. The absence of statements in the report concerning Tint's specific practices and procedures must not be construed as acceptance, approval, or endorsement of those specific practices and procedures. Furthermore, it does not relieve Tint of its obligation to comply with all of the statutory or regulatory provisions governing the Title IV, HEA programs.

This report reflects initial findings. These findings are not final. The Department will issue its final findings in a subsequent Final Program Review Determination letter.

C. Findings

During the review, several areas of noncompliance were noted. Findings of noncompliance are referenced to the applicable statutes and regulations and specify the actions to be taken by Tint to bring operations of the financial aid programs into compliance with the statutes and regulations.

Finding 1 Verification Violations

Citation: An institution is responsible for verifying the information used to calculate an applicant's Expected Family Contribution (EFC) as part of the determination of need for student financial assistance. The Student Assistance General Provisions regulations have incorporated a verification process as a part of the Title IV, HEA financial aid program requirements. Verification is required to determine the accuracy of the information submitted by applicants for need-based financial assistance. The regulations also require an institution to verify discrepancies in information received from different sources regarding a student's financial aid application. 34 C.F.R. §§ 668.51 through 668.61

Non-compliance: Tint failed to properly document and complete verification of applicant information used to determine the EFC for students #3, #4, #6, and #17 in the program review sample, who were selected for verification by the central processor, for award years 20010-2011 and 2011-2012.

In addition, Tint did not properly complete reporting the verification status codes to the National Student Loan Data System (NSLDS). Specifically, all of the students in the program review sample who were selected for verification had N/A for the verification flag.

Student #3 – The student was selected for verification for the 2010-2011 award year; however, Tint failed to complete the verification process. Tint also failed to resolve the C code 146 (citizenship status) on the student's Institutional Student Information Record (ISIR). Therefore, Title IV funds were disbursed to this ineligible student.

In addition the student was selected for verification for the 2009-2010 award year. While verification was completed, Tint failed to resolve C code 146 (citizenship status) before Title IV, HEA funds were disbursed to the student.

Student #4 – The student's 2010-2011 ISIR reported zero taxes paid and the 2009 income tax return reported \$619 in taxes paid. Tint failed to resubmit the ISIR for a recalculation of the EFC to determine if the EFC would change resulting in a different scheduled Federal Pell Grant Award.

Student #6 – The student's 2010-2011 ISIR reported 2 in college and \$1,581 in untaxed income. However, the Verification Worksheet reports 1 in college and does not report any untaxed income. Also, the parents' 2009 income tax return does not have any required signatures.

Student #17 – The student's 2010-2011 ISIR (transaction 01) reported an adjusted gross income (AGI) of \$15,974, taxes paid of \$1,679, household size of 3, and marital status as single. The student's 2009 income tax return reports an AGI of \$15,974 and the Verification Worksheet reported a household size of 4, which included a spouse. A

second 2010-2011 ISIR (transaction 02) reported an AGI of \$54,632, taxes paid of \$1,679, household size of 7, and marital status as single. Tint failed to resolve the discrepancies in the AGI, the household size, and the student's marital status and to resubmit the ISIR for a recalculation of the EFC before disbursing title IV, HEA funds to the student.

In addition, Student #17 was selected for verification for the 2011-12 award year and the verification process was not completed. The 2011-2012 ISIR reported a household size of 4, and marital status as married/remarried. The 2011-2012 verification worksheet reported 3 in the household and does not list a spouse. However, the student's 2010 income tax return was filed as married. Again, Tint failed to resolve the discrepancies in the household size and the student's marital status and to resubmit the ISIR for a recalculation of the EFC. Title IV, HEA funds were not disbursed, for award year 2011-2012 because the student withdrew. However, the verification process should have been completed.

Required Action: Tint must resolve the verification deficiencies and demonstrate that verification has been properly completed for the students referenced above. If the students' EFC, scheduled award, or expected disbursement changes as a result of verification, Tint is liable for the difference between the correct disbursement and the actual disbursement. If verification cannot be completed, all funds disbursed to that student will become a liability. Tint must submit the verification results of the students in the program review sample with the institutional response to the program review report.

In addition, Tint must review the file of every student selected for verification during the 2010-11 and the 2011-12 award years to determine if verification was completed properly for each student. For each student that Tint determines that the verification process was not properly completed, it must collect the data to complete the verification process and recalculate the EFC if required in accordance with the verification requirements. For all students for whom verification was not properly completed and for all students for whom Tint cannot complete verification, the following information must be provided:

1. Student's Name
2. Social Security Number (last 4)
3. Original EFC
4. Recalculated EFC (if applicable)
5. Original Amount of Title IV funds disbursed
6. Revised Amount of Title IV funds disbursed (if applicable)
7. Amount of overpayment/underpayment of funds (if applicable)

Please provide a separate spreadsheet for each award year.

Tint must also develop a policy and procedure to ensure that all verification status codes are completed and properly reported.

Instructions for repayment of any identified liabilities will be provided in the Final Program Review Determination Letter (FPRD).

Finding 2 Return To Title IV Funds (R2T4) Calculation Errors

Citation: When a recipient of Title IV, HEA assistance withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance, the institution must determine the amount of Title IV, HEA assistance the recipient earned as of the date he/she withdraws. The institution must determine how much aid a recipient earned by determining the percentage of the payment period the student was scheduled to complete and then multiplying that percentage by the amount of Title IV, HEA funds the student received or could have received.

The total number of days used in determining the percentage of the payment period the student completed must exclude scheduled breaks of at least five consecutive days.

In addition, if the student withdrew from the institution during a payment period or period of enrollment, the institution must make any post-withdrawal disbursement required in the return of Title IV, HEA funds regulations. 34 C.F.R. §§ 668.22 and 668.164(g)

Noncompliance: Tint did not properly calculate R2T4 returns for students # 1, #2, #5, #6, #8, #9, #13, #14, #15, #17, #19, and # 22 who withdrew during the 2010-2011 and 2011-2012 award years. Specifically, Tint used the total amount of institutional charges for the program of study (\$11,425.00) instead of using the actual amount of institutional charges for the period of enrollment in which the student withdrew in the R2T4 calculation.

Required Action: Tint must recalculate the R2T4 returns for each of the students referenced above using the correct amount of institutional charges for the payment period that the student withdrew from and submit the results of the recalculations. In addition, Tint must review and recalculate the R2T4 returns for each student who withdrew during the 2010-2011 and 2011-2012 (year to date) to determine if the calculation was completed correctly. For all students for whom the calculation was completed incorrectly, the following information must be provided:

1. Student's Name
2. Social Security Number (last 4)
3. Original EFC
4. Recalculated EFC (if applicable)
5. Original Amount of Title IV Funds Disbursed
6. Revised Amount of Title IV Funds Disbursed (if applicable)
7. Amount of Overpayment/Underpayment of Funds (if applicable)

Please provide a separate spreadsheet for each award year.

Instructions for repayment of any identified liabilities will be provided in the Final Program Review Determination Letter (FPRD).

Finding 3 Pell Overpayment

Citation: Federal regulations require that an institution follow certain disbursement rules when disbursing Federal Pell Grants.

If a student transfers from one institution to another institution during the same award year, the current institution must check the National Student Loan Data System (NSLDS) for any Title IV, HEA assistance that may have been disbursed during that academic year at the former institution. NSLDS transfer monitoring allows an institution to determine the student's remaining Title IV, HEA eligibility for the same award year. The institution may not make a disbursement to that student for seven days following its request, unless it receives the information from NSLDS in response to its request or obtains that information directly by accessing NSLDS, and the information it receives allows it to make that disbursement. 34 C.F.R. § 668.19

For clock hour programs, the amount of Federal Pell Grant funds a student may receive for a payment period is determined by determining the student's Scheduled Federal Pell Grant using the Payment Schedule and multiplying the amount by the lesser of (1) the number of clock hours in the payment period divided by the number of clock hours in the program's academic year or (2) the number of weeks of instructional time in the payment period divided by the number of weeks of instructional time in the program's academic year. 34 C.F. R. § 690.63(e)

Noncompliance: Tint did not properly calculate the Federal Pell Grant award for a transfer student in the program review sample.

Student #13 – The student enrolled in Tint as a transfer student from another cosmetology school where she received \$3,152 of the scheduled Federal Pell Grant award for 2009-2010; this represents 58.9% of the scheduled award. When Tint calculated the student's Federal Pell Grant eligibility, it made a 50% disbursement of the annual scheduled award instead of the remaining 41.1% that the student was eligible to receive in the same award year. This created an overaward of \$476 for award year 2009-2010.

Required Action: Tint must create a policy describing how it will ensure that transfer monitoring will be performed, documented and addressed during packaging. A copy of the policy must be submitted with the institutional response to the program review report.

Repayment instructions for the overaward will be provided in the Final Program Review Determination letter.

Finding 4 Admissions Policy Not Followed

Citation: A proprietary institution of higher education is one that admits as regular students only persons who have a high school diploma, the recognized equivalent of a high school diploma or are beyond the age of compulsory attendance in the state in which the institution is physically located.

In addition, a student is eligible to receive Title IV, HEA assistance only if the student has a high school diploma or its recognized equivalent or has obtained a passing score on an independently administered test. 34 C.F.R. §§ 600.5 and 668.32

Noncompliance: Tint violated its admission policy regarding transfer students. The school's policy specifically states that "*Tint School of Makeup & Cosmetology will not accept any cosmetology student as a transfer applicant from another training facility with more than 1000 hours.*" However, one student enrolled as a transfer student with more than 1000 hours in the 2010-2011 award year. In addition Tint made an ineligible Federal Pell Grant payment for the student's first period of enrollment at the school. This deficiency is addressed in another finding of this report.

Student #1 – The student enrolled on 8/30/2010 with 1137 transfer hours. The enrollment contract lists 363 hours to be completed at Tint.

Required Action: Tint must provide assurance that it will adhere to its written admission policy regarding transfer students. In addition, if it makes an exception to its policy, it must be documented in the student's file.

Finding 5 Bank Account – Federal Funds Not Identified

Citation: Institutions are required to maintain at least one bank account into which the Department transfers, or the institution deposits, Title IV, HEA program funds. For each bank account that contains Title IV, HEA program funds, an institution must identify that federal funds are maintained in the account by:

- Including the phrase "*federal funds*" in the name of the account, or
- Notifying the bank or investment company that the account contains Title IV, HEA program funds and, except for public institutions, filing a Uniform Commercial Code (UCC-1) statement with the appropriate state or municipal government that discloses that an account contains federal funds.

The institution must keep a copy of any notice to banks or investment companies as well as any UCC-1 in its records. 34 C.F.R. § 668.163

Noncompliance: Tint did not properly identify the bank account into which it deposits Title IV, HEA program funds. The Chase Bank statements currently state "*Financial Aid*". However, the regulations specifically require that "*federal funds*" be in the name of the account.

Required Action: Tint must advise Bank of America that the name of the account with the Title IV, HEA funds must identify it as "*federal funds*". Tint must provide documentation of the name correction with the institutional response to the program review report.

Finding 6 Bank Charges Made To Federal Account

Citation: Funds received under the Federal Pell Grant, except for those funds received for administrative expenses, are held in trust for the intended student beneficiaries and the Secretary. The institution as a trustee of federal funds may not use or hypothecate (i.e. use as collateral) Title IV, HEA funds for any other purpose. 34 C.F.R. § 668.161

Non-Compliance: An examination of Tint's bank statements for the Title IV, HEA programs disclosed the use of federal funds on deposit to pay bank charges incurred by the institution. Specifically, the July 1, 2010 through June 30, 2011 bank statements list service charges totaling \$182. In addition, the July 1, 2011 through October 31, 2011 bank statements list service charges totaling \$64. Finally, the July 2010 and the September 2010 bank statements list Non-Sufficient Funds (NSF) charges of \$35, for each month, for a total of \$70 for award year 2010-2011.

Required Action: Tint must reimburse the Title IV, HEA federal funds account for the service charges of \$246 and NSF charges of \$70 for a total of \$316. Documentation of the reimbursement must be submitted with the institutional response to the program review report.

Finding 7 Crime Awareness Requirements Not Met

Citation: Institutions are required to publish and distribute, by October 1 of each year, an annual security report that contains required crime statistics, as well as required statements and policies, to its current students and employees. Institutions must also inform prospective students and employees of the report's availability and provide a copy upon request.

The annual security report must report crime statistics for the three most recent calendar years concerning the occurrence on campus, in or on non-campus buildings or property, and on public property of the following offenses:

- Criminal homicide
 - murder and non-negligent manslaughter
 - negligent manslaughter
- Sex offenses
 - forcible sex offenses
 - non-forcible sex offenses
- Robbery
- Aggravated assault
- Burglary
- Motor vehicle theft
- Arson
- Arrests for liquor law violations, drug law violations, and illegal weapons possession
- Persons not included in the above category who were referred for campus disciplinary action for liquor law violations, drug law violations, and illegal weapons possession

For hate crimes, an institution must report all the crimes above, by category of prejudice, if the victim was selected due to the victim's actual or perceived race, gender, religion, sexual orientation, ethnicity, or disability. In addition, for hate crimes, the following crimes must also be reported:

- Larceny/Theft
- Simple Assault
- Intimidation
- Destruction/Damage/Vandalism of Property

The annual security report must also contain a number of statements, including, but not limited to:

- A statement of current campus policies regarding procedures for students and others to report criminal actions or other emergencies occurring on campus. This statement must include (1) policies for making timely warning reports to members of the campus community regarding the occurrence of crimes required to be reported in the annual security report, (2) policies for preparing the annual disclosure of crime statistics, and (3) a list of the titles of each person or organization to whom students and employees should report the criminal offenses for the purpose of making timely warning reports and the annual statistical disclosure.
- A description of the type and frequency of programs designed to inform students and employees about campus security procedures and practices and to encourage students and employees to be responsible for their own security and the security of others.
- A description of programs designed to inform students and employees about the prevention of crimes.

- A statement of policy concerning the monitoring and recording through local police agencies of criminal activity in which students engaged at off-campus locations of student organizations officially recognized by the institution, including student organizations with off-campus housing facilities.
- A statement of policy regarding the possession, use, and sale of alcoholic beverages and enforcement of State underage drinking laws.
- A statement of policy regarding the possession, use, and sale of illegal drugs and enforcement of Federal and State drug laws.
- A description of any drug or alcohol-abuse education programs.
- A statement of policy regarding the institution's campus sexual assault programs to prevent sex offenses, and procedures to follow when a sex offense occurs.
- A statement advising the campus community where law enforcement agency information provided by a State under section 170101(j) of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14071(j)), concerning registered sex offenders may be obtained, such as the law enforcement office of the institution, a local law enforcement agency with jurisdiction for the campus, or a computer network address.
- A statement of policy regarding emergency response and evacuation procedures.
- A statement of policy regarding missing student notification procedures.

The above statements are not comprehensive and are provided for illustrative purposes only. 34 C.F.R. § 668.46 contains all required statements. Institutions must comply with the campus security requirements for each separate campus. 34 C.F.R. § 668.46

Noncompliance: Tint does not have all required statements in its annual security report. Specifically, the following statements were missing from the information provided:

- Policies for making timely warning reports to members of the campus community;
- Campus crime statistics properly listed by offense category; and
- A statement advising the campus community where registered sex offender information may be obtained

Required Action: Tint must review the regulation listed above to determine which policy statements and procedures need to be revised or updated. It must also review its annual security report to ensure that it contains all required crime statistics and statements as specified in 34 C.F.R. § 668.46. To assist institutions, the Department provides guidance on complying with campus security in *The Handbook for Campus Safety and Security Reporting*, which can be obtained at the following website: <http://www2.ed.gov/admins/lead/safety/campus.html>. In response to this finding, please submit the revised annual security report to this office.

Finding 8 Exit Loan Counseling Deficiencies

Citation: An institution must ensure that exit counseling is conducted with each Federal Direct Loan (FDL) borrower shortly before the student borrower ceases at least half-time enrollment at the institution either in person, by audiovisual presentation, or by interactive electronic means. If a student borrower withdraws without the institution's prior knowledge or fails to complete an exit counseling session as required, the institution must ensure that exit counseling is provided through either electronic means or by mailing written counseling materials to the student borrower's last known address within 30 days of learning that the student failed to complete the required exit counseling. 34 C.F.R. § 685.304(b)

Noncompliance: Tint failed to provide documentation of exit counseling for Student #15 in the program review sample.

Required Action: Tint must execute the required Federal Direct Loan (FDL) exit counseling for the above referenced students in accordance with the regulation and submit adequate documentation that exit loan counseling has been completed. In addition, Tint must develop a policy and procedure, with control mechanisms to ensure for the future that FDL exit loan counseling will be completed for all student borrowers prior to graduating or withdrawing. Please review the above referenced regulation in developing the policy and procedure and submit a copy with the institutional response to the program review report.

Finding 9 Student Credit Balance Deficiencies/Inadequate Authorization to Hold Credit Balance Funds

Citation: Title IV, HEA funds are to be used to pay for educational expenses a student incurs in the period for which the funds are provided. If an institution credits a student's account with Title IV, HEA funds, those funds can only be applied to allowable charges such as:

- Tuition and fees
- Board, if the student contracts with the institution for board,
- Room, if the student contracts with the institution for room, and
- Book Charges

An institution must obtain a student's or parent's written authorization to use Title IV, HEA funds to pay other costs or allowable charges. However, the institution may not require or coerce the student or parent to provide an authorization to pay for other charges or to hold credit balance funds. In addition, the student has the right to rescind the authorization at any time. Notwithstanding any Title IV credit balance authorization, an institution must pay any remaining balance on loan funds by the end of the loan period and any remaining other Title IV, HEA funds by the end of the last payment period in the

award year for which they were awarded. Title IV, HEA funds are held in trust for the intended student beneficiaries and the Secretary. These funds may not be used or hypothecated (i.e. serve as collateral) for any other purpose. 34 C.F.R. §§ 668.161, 668.164(e) and 668.165(b)(5)(iii)

Noncompliance: Tint's credit balance authorization form does not obtain proper authorization, from the student, to use Title IV, HEA funds for other educationally related charges incurred by the student. Also, the current authorization language is not in compliance with the requirement to pay any remaining loan funds by the end of the loan period and/or any other remaining Title IV, HEA funds by the end of the last payment period in the award year for which the funds were awarded.

Required Action: Tint must revise its credit balance authorization form to ensure all required consumer information regarding available options for holding and releasing credit balance funds are included. In addition, Tint must provide a copy of the revised authorization form to its currently enrolled students. Please submit a copy of the revised form with the institutional response to the program review report.

Finding 10 Ability to Benefit Violations

Citation: A student is eligible for Title IV, HEA assistance if the student, among other requirements, has a high school diploma or its recognized equivalent, or has obtained a passing score specified by the Secretary on an independently administered test. 34 C.F.R. §§ 600.5, 668.32 and 668.151

Noncompliance: Tint Failed to properly document a student's admission/eligibility based on Ability to Benefit (ATB) requirements prior to disbursing Title IV, HEA program funds to one student.

Student #10 – A Federal Pell Grant Disbursement in the amount of \$2,775 was posted, for award year 2010-2011, to the student's account ledger on 4/04/2011. However, the student subsequently took and passed the ATB test on 4/19/2011; therefore, no liability occurred.

Required Action: Tint must review its policies and procedures to ensure that Title IV, HEA program funds are not disbursed to students prior to determining their eligibility. Tint must submit a copy of the policy and procedure with the institutional response to the program review report.

Finding 11 Conflicting Information

Citation: An institution must develop and apply an adequate system to identify and resolve discrepancies in the information that the institution receives from different sources with respect to a student's application for assistance from the Title IV, HEA

programs. This includes information regarding a student's citizenship, previous educational experience, documentation of the student's social security number, and other factors relating to the student's eligibility for funds under the Title IV, HEA programs 34 C.F.R. § 668.16(f)

Noncompliance: Tint failed to resolve ISIR comment code (C-code) flags prior to awarding and disbursing Title IV, HEA program funds to one student.

Student #3 – The student's 2010-2011 ISIR had C-Code 146 (citizenship status) and Tint failed to resolve the discrepancy and retain documentation before disbursing Title IV, HEA funds to the student.

In addition, the student's 2009-2010 ISIR had C-Code 146 (citizenship status) and Tint failed to resolve the discrepancy and retain documentation before disbursing Title IV, HEA program funds to the student.

Required Action: Tint must resolve the C-Code deficiencies for the student referenced above and provide documentation of the resolution with the institutional response to the program review report. Tint must develop a policy and procedure to ensure that all C-Code comments requiring resolution will be resolved prior to Title IV, HEA program funds being disbursed to students and submit a copy with the institutional response to the program review report.

Finding 12 Title IV Funds Paid Toward Prior Year Charges

Citation: An institution may use Title IV, HEA program funds to credit a student's account at the institution to satisfy current year charges for tuition, fees, room and board if the student contracts with the institution, and other educationally related expenses if the institution obtains the student's or parent's authorization. In addition, an institution may use Title IV, HEA funds to pay prior year charges for a total of not more than \$200 for tuition, fees, room, board, and other authorized educationally related expenses. 34 C.F.R. § 668.164(d)

Non-Compliance: Tint charges for the entire program of study at the beginning of the student's enrollment. Specifically, total tuition and fee charges are posted to the student's account and Title IV, HEA program funds are applied as awarded and disbursed to reduce the amount of the charges regardless of the award year in which the funds were awarded. Because of the total cost of the program of study at Tint, the amount of Title IV, HEA funds awarded in a specific award year will not reduce a student's balance to zero. Therefore, any Title IV funds awarded in a subsequent award year are applied to the existing balance, which exceeds the \$200 allowed to pay prior year charges in accordance with the federal regulations.

The account ledgers for Students #3, #4, #7, #11, #12, #18, #21, #28, and #30 indicate that prior year charges were paid from the current year's financial aid award. Specifically, students who enrolled during award years 2009-2010 or 2010-2011 and received Title IV, HEA funds had outstanding balances of more than \$200 when they received Title IV, HEA funds for award years 2010-2011 and 2011-2012, respectively. Therefore, Tint applied Title IV, HEA funds to prior award year balances in excess of \$200.

Required Action: Tint must develop a policy and procedure describing how tuition and fee charges will be assessed to ensure that prior year charges paid from current year Title IV, HEA awards will not exceed the \$200 tolerance in accordance with the regulations and submit a copy with the institutional response to the program review report.

Finding 13 Policies and Procedures Incomplete/Lack of Administrative Capability

Citation: The Secretary considers an institution to be administratively capable if it has written procedures for or written information indicating the responsibilities of the various offices with respect to the approval, disbursement and delivery of the Title IV, HEA programs. 34 C.F.R. § 668.16(b)(4)

Noncompliance: Tint was not able to provide adequate or complete written policies and procedures for the administration of the Title IV, HEA programs with respect to the approval, disbursement, and delivery of the program funds. For example, the Standards of Academic Progress policy does not reflect the new requirements effective July 1, 2011. Also, the separation of duties and responsibilities policy and procedures are not clearly defined. However, the reviewers were able to identify separation of duties as it relates to awarding and disbursement of Title IV, HEA funds. Tint officials indicated, during the program review, that it was in the process of developing and revising existing policies and procedures. The reviewers looked at a draft document with templates designed to assist in the development of a policies and procedures manual.

Required Action: Tint must review the above referenced federal regulations governing the requirements for policies, and procedures, the Federal Student Financial Aid Handbook, and the Financial Aid Assessments which can be found on the IFAP website and identify all of the components needed to complete its current document. A copy of the policies and procedures for the administration of the Title IV, HEA programs must be submitted with the institutional response to the program review report.

Finding 14 Consumer Information Requirements Not Met

Citation: An institution is required to disclose and/or provide information to students and employees, both current and prospective. Among this information is a requirement to

observe Constitution and Citizenship Day [Division J of Pub. Law 108-447] and provide information on copyright infringement [34 C.F.R. § 668.43(a)(10)].

Noncompliance: Tint did not have any information regarding its policies and sanctions on copyright infringement or information on Constitution and Citizenship Day.

Required Action: Tint must review the requirements for copyright infringement and Constitution and Citizenship Day and develop a policy and procedure for these consumer information requirements. A copy must be submitted with the institutional response to the program review report.

D. Recommendations

The following are recommendations based upon observations made by the review team during the program review. Tint is not required to provide a response to nor is Tint required to act upon these recommendations. However, the review team believes that the adoption of these recommendations will assist the institution in its administration of the Title, IV HEA program funds.

- The enrollment contracts should be amended or updated when a student changes enrollment status. (i.e. from day to evening or evening to day)
- The Leave of Absence (LOA) form should be amended or updated when the student's original LOA is extended and properly documented.
- All staff members who have a role in the administration of the Title IV, HEA financial aid programs should be involved in ongoing comprehensive training

E. Appendices

Appendix A (Student Sample) contain personally identifiable information and will be emailed to Tint as an encrypted WinZip file using Advanced Encryption Standard, 256-bit. The password needed to open the encrypted WinZip file(s) will be sent in a separate email.

Appendix A: Student Sample

(provided under separate cover)

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Appendix E: Institution's Written Response to the PRR

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Tint school of makeup & cosmetology

10909 Webb Chapel Rd. #129, Dallas, TX 75229 (214) 956-0088
www.tintschoolofmakeupandcosmetology.com

May 31, 2012

Mrs. Stephanie Akon
Senior Institutional Review Specialist
Federal Student Aid, School Participation Team – Dallas
1999 Bryan Street, Suite 1410
Dallas, TX 75201-6817

RE: Program Review Report
OPE ID: 03035200
PRCN: 201010627740

Dear Mrs. Akon,

Please accept this letter and the attached documents hereto as Tint School Of Makeup & Cosmetology's (Tint) response to the U.S Department Of Education (Department or DOE) Program Review Report dated February 1, 2012.

Tint is serious about correcting any shortcomings that were discovered as a result of the Department's program review site visit, and the resulting report. Tint is also serious about its commitment to achieving excellence in its administrative capabilities to administer Title VI programs. Since the program review Tint has discovered and taken the following steps to achieve the above-mentioned goals:

1. The program review revealed to Tint that the level of thoroughness in collecting required documents from students and resolving outstanding flags and corrections during the initial student packaging process was less than desired from its financial aid staff. And although Tint had in place a quarterly internal review process whereby its financial aid staff were required to review all financial aid files for completeness, resolution of any outstanding conflicts and accuracy of disbursements, the program review revealed that, while financial aid staff signed the students' file review check list attesting their review, the files were still incomplete and issues remained unresolved resulting in some instances in over or under awards. Tint has taken the following steps to address the matter
 - a. Replaced its two members of its financial aid team.
 - b. Put in place a continued education programs for its financial aid team.
 - c. Added new policies and procedures as can be seen in the attached policies and procedures manual that is part of this response.
 - d. Permanently retained DJA Financial Aid Services (DJA) to review and approve every student file prior to disbursement.

Tint school of makeup & cosmetology

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www.tintschoolofmakeupandcosmetology.com

2. The program review also revealed to Tint that it needed to strengthen its policies and procedures in areas of admission, R2T4, consumer information disclosure, among others. Tint worked diligently with DJA on putting in place the policies and procedure as well as the public disclosures that strengthen those areas. Please refer to the attached Policies and Procedures in this response.

To ensure complete objectivity and thoroughness Tint also contracted DJA to assist with the required 100% file reviews for both the Verification and Return to Title IV findings. In partnership with Tint, DJA reviewed, obtained additional information, made ISIR corrections and recalculated EFC's as needed on all of the verification files for the 2010-11 and 2011-12 award years. DJA produced the final spreadsheets attached within this report. Tint also submitted to DJA all the 2010-11 and 2011-12 Return to Title Funds Calculations. DJA recalculated all R2T4 calculations and produced the final spreadsheets attached within this report that may contain any found liability.

I want to express my sincere gratitude to you for all your support in this arduous process and hope our response meets with your approval. Should you need any additional information please do not hesitate to contact me at (530) 277-7866.

Sincerely,



Cristina Grimm
President/CEO

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Checklist - FPRD Review

(b)(7)(E)

Accounting Document – Prior Year Monetary Recovery (AD-PYMR)

Institution: Tint School of Makeup & Cosmetology

City, State: Dallas, Texas

PRCN: 210627740

TIN: 264399441

DUNS: 087485574

Reviewer: Stephanie Akon

Region: Dallas

Date: January 16, 2013

Section A - Use if no adjustments are being made in COD

Programs	Type	Amount	Funding Code	Object Class
Federal Pell Grant (Closed AY)	Principal	11,101.00	3220RNOYR	69017
	Interest	43.22	1435RNOYR	64020
ACG	Principal		3220RNOYR	69017
	Interest		1435RNOYR	64020
National SMART	Principal		3220RNOYR	69017
	Interest		1435RNOYR	64020
FSEOG (No FISAP Corrections)	Principal		3220RNOYR	69017
	Interest		1435RNOYR	64020
FWS (No FISAP Corrections)	Principal		3220RNOYR	69017
	Interest		1435RNOYR	64020
Direct Loan and Direct Loan EAL	Principal		4253XNOYR	53020 or 53010
	Interest		4253XNOYR	53040
FFEL and FFEL EAL	Interest/ SA/EAL		4251XNOYR	53020
Federal Perkins	Principal		2915RNOYR	53054

Section B: Use if the Institution is instructed to make adjustments in COD

Add rows if necessary			Amount			G5 Program Award # *
Pell, ACG, SMART, TEACH	Program / Award Year	Principal		3875FNOYR	69020	
	Program / Award Year	Imputed Interest		1435RNOYR	64020	
Direct Loan (do not use for estimated loss)	Award Year	Principal		3875FNOYR	69020	
	Award Year	Imputed Interest		4253XNOYR	53040	

Comments:

* G5 Award # (P063P104306, first 5 digits = program, next 2 digits = award year, next 4 digits = code unique to school). Note: It is important that the year in the G5 award number correspond to the award year for which any adjustments are being made, or for which the balance has been incurred (in the case of an unsubstantiated cash or negative cash balance). If the reviewer is unsure after looking in G5, contact Susan Lewey for Pell or DL, or Tremia Haythe for FWS or FSEOG.

Example of G5 award numbers for a single school for the 2009-2010 award year, Pell vs. DL:

Pell is designated by "P063P" and DL is designated by "P268K"

P063P091445 (Pell 2009-2010 award - Pell uses the final two digits of the leading award year in the award number)

P268K101445 (Direct Loan 2009-2010 award - DL uses the final two digits of the trailing award year in the award number)

Example of G5 award number for FWS and FSEOG

FWS is designated by "P033A" and FSEOG is designated by "P007A"

P033A092121 (FWS 2009-2010 award - FWS uses the final two digits of the leading award year in the award number)

P007A092121 (FSEOG 2009-2010 award - FSEOG uses the final two digits of the leading award year in the award number)

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		Processed through USPS Sort Facility	January 18, 2013, 4:30 am	DALLAS, TX 75260	

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